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SIPDIS

DEPARTMENT FOR EAP/J AND PM/DTC BLUE LANTERN COORDINATOR

E.O. 12958: DECL: 06/20/2018
TAGS: [ETTC](#) [KOMC](#) [JA](#)
SUBJECT: JAPAN RESPONSE TO BLUE LANTERN END USE CHECK ON
LICENSE 05-1007778

REF: STATE 20241

Classified By: EMIN Robert F. Cekuta for reasons 1.4 b, d.

This is an interim report.

¶1. (C) Per ref, Post has continued to work to verify the end user for this license. The foreign consignee, Sky Trading Company President Tsuneo Takeda initially told EconOff March 4 his company does not handle F4 parts and that the company did not buy from P-Technology. Takeda also told EconOff the total purchase value was \$104,740, while ref indicated the value of the license was \$300,000. In addition, an official from Japanese Self Defense Forces unit which ordered these articles originally told us the organization has no inventory records. He said he was unable to confirm this order.

¶2. (C) Subsequently, during a March 6 meeting, Takeda said he had been mistaken and in fact his company, Sky Trading, does have the contract for F-4 parts and is buying from P-Technology. Takeda told EconOff he is well aware of the U.S. regulations regarding re-sale or re-export of USML controlled items and said his primary customer is the Japanese Self Defense Force. During the March 6 meeting, EconOff asked about the difference between the contract amount and the license amount; Takeda said he did not know. Post requested copies of the contracts between Sky Trading and the GOJ and between Sky Trading and the P-Technology to verify the sale.

¶3. (C) On May 2, Sky Trading provided Post with a copy of the contract between Sky Trading and the Japanese Air Self Defense Force (JASDF) signed by Shinichi Koshiro of the JASDF Third Depot (located in Iruma City, Saitama Prefecture) and Takeda. The contract is dated September 21, 2007 and a copy has been provided to Defense Trade Controls as an email attachment. Delivery deadline is October 31, 2008.

¶4. (C) On May 7, Sky Trading provided Post with a copy of the contract between Sky Trading and P-Technology. Takeda also said he would provide a copy of the invoice of the second shipment as soon as it clears customs in Japan which should be during July.

¶5. (C) Ministry of Defense Equipment Procurement Policy Division Deputy Director Shinji Sato told EconOff June 20 it is "absolutely impossible" there are no inventories for this and equipment listed on other Blue Lantern cases. Sato said inventories are maintained even on used cartridges. Sato said he would personally check into this and other Blue Lanterns where a lack of inventory has been a problem.

¶6. (C) Post will continue to engage on this case and report developments.

SCHIEFFER